

# A Study on Customer Expectation and Perception towards Sbi Credit Card Reference to Coimbatore City

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## ABSTRACT

Credit card is a tiny plastic card used by the customers as a system of payment. It allows its customers to shop any kind of product and services. The credit card facilitates the user with a revolving account which helps its customers borrow money from the bank in case of a purchase. The main objective of the study is to find out the satisfaction of customers with respect to credit card usage. For the purpose of the primary data analysis, we have collected 120 samples using Credit card in SBI Bank from Coimbatore. On the basis of the sample, level of satisfaction of the customer towards credit card is found out and it was found that majority of people have use Credit card over a Debit card. Convenience and fees are two of the most important things to consider when choosing a bank.

**Keywords :** Credit Cards, Bank, Satisfaction

## I. INTRODUCTION

A credit card is a payment card provided to the customers for a payment of goods and services, based on the cardholder's promise to the card issuer to pay them for the agreed charges in addition to the amount provided by the bank. The bank provides a revolving account to the customer for a purchase or for payment to the merchant and it is considered as borrowed money and it has to be returned within a given due date. Bank's income from credit cards can be divided mainly into four components namely annual fee, interchange charge, revolving fee (interest charged for revolving credit) and other fees. With credit cards in pocket, emergencies are not felt so by cardholders. They exude a sense of confidence. A charge card is something that requires the balance to be repaid in full each month and it is different from a credit card. In contrast, credit cards allow the consumers to pay the debt in dues with its interest charged.

The Credit cards are termed as convenient money and plastic money. For the credit cardholder, credit cards are an innovative way to pay for the purchases. There is now a flood of Indian banks offering credit cards to the potential customers. A credit card is part of a system of payments named after the small plastic card issued to users of the system. The issuer of the card grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user. Multinational banks operating in India have also joined the bandwagon with high voltage advertising and seemingly competitive reward programs for loyal credit card users. Banks' income from credit cards can be divided mainly into four components namely annual fee, interchange charge, revolving fee (interest charged for revolving credit) and other fees. Then you can swipe your card as needed to spend money out of the money you spend on a credit card has to be paid back. If you fail to repay the payments within the given time, you will have to pay the interest and extra charges. This study focus on the demographic profile of the respondents, details of banking transactions, utility of usage of credit cards by the card holders, reasons for using credit cards and level of satisfaction towards credit cards.

## II. REVIEW OF LITERATURE

**JanapriyaSaha, Minli Wang, Francis Cucinotta (2017)**, upon induction of DNA damage by ionizing radiation (IR), members of the phosphatidylinositol 3-kinase-like kinase family of proteins namely ataxia-telangiectasia mutated (ATM), DNA-PKcs, and ATM- and Rad3-related (ATR) maintain genomic integrity by mounting DNA damage response (DDR). Recent reports suggest that activation of ATM and ATR are

oppositely regulated by the length of single stranded overhangs generated during end processing by nucleases at the break sites. These stretches of single stranded overhangs hold the clue for the transition from ATM to ATR signaling at broken.

**Peter G.A.M. Jona (2016)**, The successes and/or failures of some of the existing technologies and future ATM systems seem to be characterised by a common relation to an influential factor: the Human Factor. This intriguing factor was traditionally used to describe a largely unknown and unpredictable influence on the output or safety of a technical system. Nowadays, it is also seen as the factor that can and needs to be managed and controlled for providing the opportunities required for safety, better products and services, and in the end, more satisfied customers

**Willy Zalatar (2018)**, in this paper deals with the service quality of Philippine commercial banks from the perspective of their customers. It discusses the degree of importance attached to the five dimensions of service quality and examines how gender differences affect customers' expectations and perceptions of bank service quality. Survey results and statistical tests support the hypothesis that gender differences affect the relative importance attributed to the five dimensions as well as customers' expectations and perceptions of service quality in banks. This research is useful in developing customer-related strategies that will increase clients' perceptions of bank service quality.

**Jorge Vera(2019)**This study concerns the service quality topic in the retail bank sector. A sample of 209 retail bank clients was taken, measuring the performance of service quality attributes of their principle retail bank. Behavioral performance variables such as satisfaction, loyalty and customer perceived value were also measured. In a factor analyses the attributes were separated into three factors. These three independent factors explain a considerable amount of variability of a satisfaction–loyalty factor. On the other hand, they could not explain the superior perceived value; and no differences between the service quality performances of the bank brands were found. In conclusion, regardless of the degree of satisfaction and loyalty, the customer is not willing to pay more for banking services at his regular bank than he would at other brands. This implies that superior perceived value is not being achieved via service quality, which suggests a lack of differentiation between brands in this sector

**Amudha Ramachandran (2020)** Service process performance of an organization should be

measured continuously to achieve competitive advantage and this is possible through providing excellent service by any organization. The customer satisfaction not only means, satisfying the customers but also customer retention in case of service failure. The organization should solve the complaints through various service recovery strategies. It is mandatory to identify the impact of service failure and customer feedback for the survival, success and prosperity of an organization. The real victory of an organization is based on the degree of loyalty of the customers. This paper attempts to summarize the results of literature review on customer satisfaction towards the services of a bank from five different perspectives namely, service encounters, waiting time of the customer to get the service, role of intermediaries, quality of service provided and customer complaints towards the bank. Attraction, retention and enhancement of the customer relationship are essential to maintain, delighted and committed customers, who form the basis for the sustainable competitive position of the bank.

### III. STATEMENT OF THE PROBLEM

The present study is undertaken to know how far this service reaches the customers, their responses towards the using Credit Cards, their attitude towards the usage of the Cards and the various problem faced by them in using the Card. This study made to know the extent of credit facilities available to the customers in various activities and their satisfaction towards such facilities. Credit card usage and ownership has been significantly associated with increased unplanned spending and debt. Debt associated with credit card usage has been on the rise. This has raised concern over the adverse effects on the consumers and economy at large. People have a tendency to increase their expenses while using credit cards rather than debit cards, cash, cheque or other modes of payment.

### IV. OBJECTIVES OF THE STUDY

- To know the factors influencing the use of Credit card.
- To find out the problems faced by customer in credit card.
- To analyze the present Credit card facilities provided by SBI Bank in Coimbatore.
- To find out the level of satisfaction about SBI Credit Cards in Coimbatore.
- To offer suggestions to increase the usage of SBI Credit Cards in Coimbatore.

### V. RESEARCH METHODOLOGY

This research follows the survey research methodology based on previous research in related area, a questionnaire was constructed to study the customer satisfaction about SBI Credit card holders in Coimbatore city. After pilot testing the questionnaire was administered to 120 persons who have account in SBI bank. Here we take minimum age as 20 years. The present study is analytical and exploratory nature. The study was made of primary as well as secondary data. The secondary data have been collected mainly from RBI monthly bulletins, various newspapers and other literature available in the field. The study was conducted in the Coimbatore City. With the help of convenience sampling method 120 respondents among the population were selected for the purpose of investigation. The population being large and the time for research is limited, it was decided to choose this particular technique.

### HYPOTHESIS

#### Null Hypothesis

H O: There is no significance relationship between Income per month and Type of card used.

#### Alternative Hypothesis

H 1: There is a significance relationship between Income per month and Type of card used.

### LIMITATIONS OF THE STUDY

- The study was limited to Coimbatore only. So the results may not be similar to other places.
- The study was made equally among urban and rural people. Since some of the rural people were illiterates, hence every question was needed to be translated.
- The research was conducted within a limited period
- There was a bias on the part of the respondents while answering the questions

### VI. ANALYSIS AND INTEPRETATION

TABLE 1: GENDER OF THE RESPONDENTS

| S. No | Sex          | No of Respondents | Percentage |
|-------|--------------|-------------------|------------|
| 1.    | Male         | 70                | 58         |
| 2.    | Female       | 50                | 42         |
|       | <b>Total</b> | <b>120</b>        | <b>100</b> |

Source : Primary data

From the above table reveals that the majority of the respondents (58%) are male and rest of the respondents (42%) are female in the study area.

TABLE2: AGE OF THE RESPONDENTS

| S. No | Age (in years) | No of Respondents | Percentage |
|-------|----------------|-------------------|------------|
| 1.    | Below 20 years | 34                | 28         |
| 2.    | 20-30          | 53                | 44         |
| 3.    | 30-40          | 19                | 16         |
| 4.    | Above 40       | 14                | 12         |
|       | <b>Total</b>   | <b>120</b>        | <b>100</b> |

Source : Primary data

From the above table 44% of the respondents are belonging to the age group of 20-30 years, 28% of the respondents are belonging to the age group of below 20 years, 16% of the respondents are belonging to the age

group of 30-40 years and 12% of the respondents are belonging to the age group of above 40 years in the study area.

**TABLE3: OCCUPATION OF RESPONDENTS**

| S. No        | Occupation           | No of Respondents | Percentage |
|--------------|----------------------|-------------------|------------|
| 1.           | Student              | 36                | 30         |
| 2.           | Professional         | 14                | 12         |
| 3.           | Business             | 19                | 16         |
| 4.           | Government employees | 12                | 10         |
| 5.           | Private employees    | 27                | 22         |
| 6.           | Others               | 12                | 10         |
| <b>Total</b> |                      | <b>120</b>        | <b>100</b> |

Source : Primary data

The above table explains that the major part of the respondents 30% of the responded are student category, 22% of the respondents are private employee category, 16% of the respondents

are businessmen category, 12% of the respondents are professional category and 10% of the respondent are included in the others category.

**TABLE4: MONTHLY INCOME OF THE RESPONDENTS**

| S. No        | Income (Rs.)         | No of Respondents | Percentage |
|--------------|----------------------|-------------------|------------|
| 1.           | Below Rs.5000        | 24                | 20         |
| 2.           | Rs.5001 to Rs.10000  | 41                | 34         |
| 3.           | Rs.10001 to Rs.15000 | 29                | 24         |
| 4.           | Rs.15001 to Rs.20000 | 26                | 22         |
| <b>Total</b> |                      | <b>120</b>        | <b>100</b> |

Source : Primary data

From the above table its found that the majority (34%) of the respondents having the income between Rs.5,001 to Rs.10,000, 24% of the respondents having the income between Rs.10,001

to Rs.15,000, 22% of the respondents having the income between Rs.15,001 to Rs.20,000 and the remaining 20% of the respondents having the income below Rs.5000.:

**TABLE 5: TYPE OF CARD USED**

| S. No        | Type of card used | No of Respondents | Percentage |
|--------------|-------------------|-------------------|------------|
| 1.           | Credit card       | 48                | 40         |
| 2.           | ATM card          | 33                | 28         |
| 3.           | Visa card         | 22                | 18         |
| 4.           | Charge card       | 17                | 14         |
| <b>Total</b> |                   | <b>120</b>        | <b>100</b> |

Source : Primary data

The above table shows that the respondents (40%) are having only SBI credit cards, 28% of the respondents are having SBI ATM 18% of the respondents are having Visa cards and 14% of the respondents are having charge card.

**TABLE 6: SOURCE OF AWARENESS OF THE RESPONDENTS**

| S. No        | Source of awareness | No of Respondents | Percentage |
|--------------|---------------------|-------------------|------------|
| 1.           | Parents             | 24                | 20         |
| 2.           | Relatives           | 41                | 34         |
| 3.           | Friends             | 29                | 24         |
| 4.           | Advertisements      | 26                | 22         |
| 5.           | Radio               | 12                | 10         |
| <b>Total</b> |                     | <b>120</b>        | <b>100</b> |

Source : Primary data

The above table shows that the majority of the respondents (34%) are aware through the relatives, 24% of the respondents are aware through the friends, 22% of the respondents are

aware through the advertisements, 20% of the respondents are aware through the parents and only 10% of the respondents are aware through Radio.

**TABLE 7: FACTOR INFLUENCING OF THE RESPONDENTS**

| S. No        | Factors           | No of Respondents | Percentage |
|--------------|-------------------|-------------------|------------|
| 1.           | Personal decision | 53                | 44         |
| 2.           | Relative          | 14                | 12         |
| 3.           | Friends           | 17                | 14         |
| 4.           | Advertising       | 17                | 14         |
| 5.           | Representative    | 19                | 16         |
| <b>Total</b> |                   | <b>120</b>        | <b>100</b> |

Source : Primary data

From the above table reveals that the majority 44% of the respondents have consider the personal decision factor for using credit cards, 12% of the respondents have consider the Relative factor for using credit cards, 14% of the respondents have

consider the friends and advertising factors for using credit cards and 16% of the respondents have consider the Representative factor for using credit cards in the study area.

**TABLE8: MODE OF ADVERTISEMENT OF CREDIT CARD**

| S. No        | Modes      | No of Respondents | Percentage |
|--------------|------------|-------------------|------------|
| 1.           | Radio      | 17                | 14         |
| 2.           | Newspaper  | 36                | 30         |
| 3.           | Television | 38                | 32         |
| 4.           | Others     | 29                | 24         |
| <b>Total</b> |            | <b>120</b>        | <b>100</b> |

Source : Primary data

It shows that 14% of the respondents are mode of advertisement of credit card is Radio, 30% of the respondents are mode of advertisement in newspapers , 32% of the respondents are mode of

advertisement is Television and remaining 24% of the respondents are mode of advertisement is Others.

**TABLE 9: LEVEL OF SATISFACTION ABOUT CREDIT CARD**

| S. NO | LEVEL OF SATISFACTION    | Highly Satisfied |     | Satisfied |     | No Opinion |     | Highly Dissatisfied |     | Dissatisfied |     |
|-------|--------------------------|------------------|-----|-----------|-----|------------|-----|---------------------|-----|--------------|-----|
|       |                          | Res              | Per | Res       | Per | Res        | Per | Res                 | Per | Res          | Per |
| 1     | Balance Checking         | 67               | 56  | 37        | 31  | 16         | 13  | 0                   | 0   | 0            | 0   |
| 2     | More place accessibility | 49               | 41  | 62        | 52  | 6          | 5   | 2                   | 2   | 1            | 1   |
| 3     | Mini statement           | 59               | 49  | 31        | 26  | 24         | 20  | 0                   | 0   | 6            | 5   |
| 4     | Money transfer           | 73               | 61  | 47        | 39  | 0          | 0   | 0                   | 0   | 0            | 0   |
| 5     | Security                 | 52               | 43  | 61        | 51  | 7          | 6   | 0                   | 0   | 0            | 0   |

Source : Primary data

The above table shows that level of satisfaction about credit card 67% of the respondents are said highly satisfied in balance checking, 49% of the respondents are satisfied in more place accessibility, 59% of the respondents

are said highly satisfied in mini statement, 73% of the respondents are said highly satisfied in money transfer and 52% of the respondents are said satisfied in security.

**TABLE 10: PROBLEM FACED BY CREDIT CARD USERS**

| S. No        | Problems             | No of Respondents | Percentage |
|--------------|----------------------|-------------------|------------|
| 1.           | Fraud deduct         | 25                | 21         |
| 2.           | Misuse               | 23                | 19         |
| 3.           | In available balance | 28                | 23         |
| 4.           | Tax                  | 44                | 37         |
| <b>Total</b> |                      | <b>120</b>        | <b>100</b> |

Source: Primary data

From the above table reveals that problem faced by credit cards 21% of the respondents are said Fraud deduct is the main problem faced by credit card holders, 19% of the respondents are said Misuse,

3% of the respondents are said in available balance and the remaining 37% of the respondents are said Tax.

**TABLE11: CHI-SQUARE TEST**

| PARTICULAR             | VALUE    | DF | X <sup>2</sup> |
|------------------------|----------|----|----------------|
| INCOME / TYPES OF CARD | 0.996874 | 6  | 1.535591       |
| GENDER / TYPES OF CARD | 0.469012 | 6  | 0.1775         |

The relationship between Income per month and Type of card used  
 (Source: Primary Data)

Since the calculated value is less than the table value. So we accept the null hypothesis. There is no significance relationship between Income per month and Type of card used.

**ANOVA**

**TABLE 12: AGE, GENDER, INCOME, OCCUPATION AND MODE OF PAYMENT**

| VARIABLES          |                | SUM OF SQUARES | DF | MEAN SQUARE | F     | Sig  |
|--------------------|----------------|----------------|----|-------------|-------|------|
| Age                | Between Groups | 32.66          | 1  | 32.66       | .0866 | .783 |
|                    | Within Groups  | 1508.667       | 4  | 377.16      |       |      |
|                    | Total          | 1541.33        | 5  |             |       |      |
| Occupation         | Between Groups | 19.6           | 1  | 19.6        | .587  | .465 |
|                    | Within Groups  | 266.8          | 8  | 33.35       |       |      |
|                    | Total          | 286.4          | 9  |             |       |      |
| Income             | Between Groups | 42.66          | 1  | 42.66       | .817  | .416 |
|                    | Within Groups  | 208.66         | 4  | 52.16       |       |      |
|                    | Total          | 251.32         | 5  |             |       |      |
| Types of card used | Between Groups | 24             | 1  | 24          | .403  | .559 |
|                    | Within Groups  | 238            | 4  | 59.5        |       |      |
|                    | Total          | 262            | 5  |             |       |      |

(Source: Primary Data)

From the above table analysed that the level of significance of chosen variables are greater than the (0.05) at significance level. The calculated value is less than the table value. Thus, it is said that the age, types of card, income, occupation will not be influencing by the type of card used Hence it is concluded that there is significant variation between each other, so we are not accepting it.

**HYPOTHESIS**

NULL HYPOTHESIS (HO): There is no significance relationship between Income per month and Type of card used.

ALTERNATIVE HYPOTHESIS (H1): There is a significance relationship between Income per month and Type of card used.

**TABLE 13: LEVEL OF SATISFICATION ABOUT CREDIT CARD WEIGHTED AVERAGE**

| S.N O | PARTICULAR                | WEIGHTED SCORE | RANK |
|-------|---------------------------|----------------|------|
| 1     | BALANCE CHECKING          | 531            | 2    |
| 2     | MORE PLACE ACCESSIBILIT Y | 516            | 4    |
| 3     | MINI STATEMENT            | 497            | 5    |
| 4     | MONEY TRANSFER            | 553            | 1    |



|   |          |     |   |
|---|----------|-----|---|
| 5 | SECURITY | 525 | 3 |
|---|----------|-----|---|

(Source: Primary Data)

The factors influencing the level of satisfaction about credit card that the respondents gave 1st rank to Money Transfer, 2nd rank to Balance checking, 3rd rank to Security and 4th rank to More place accessibility and 5<sup>th</sup> rank to mini Statement.

### VII. FINDINGS

- Majority of the respondents (58%) are male.
- 30 percent of the respondents occupation are student category.
- 44% percent of the respondents are belonging to the age group of 20-30 years.
- 34% of the respondents are receiving income between Rs.5001 to Rs.10000
- 40% are having only SBI credit cards.
- 44% percent of the respondents have consider the personal decision factor for using credit cards.
- 32% percentage of the respondents are mode of Advertisement of Television of credit card
- 36 percent of the respondents belong to agree in safety of credit card.

### VIII. SUGGESTIONS

- Treat your ATM card like cash. Always keep your card in a safe place and store in the protective sleeve.
- Keep your Personal Identification Number (PIN) a secret. Your ATM card will only work with your PIN. Never write your PIN on your card, and don't store it near your card.
- Never give out information about your PIN over the telephone.
- Report a lost or stolen card immediately.
- Check your receipts against your monthly statements to guard against ATM fraud.
- The bank provide ATM facilities for reduce customers problems and aware of customer preference.

### IX. CONCLUSION

In order to facilitate the customers to carry the cards with them, effective protective measures must be taken to protect the cards against operational and security risk. We came to know that banks provide security and convenience for managing your money and sometimes allow you to make money by earning interest. Convenience and fees are two of the most important things to

consider when choosing a bank. Writing and depositing checks are perhaps the most fundamental ways to move money in and out of a checking account, but advancements in technology have added ATM and debit card transactions. Debit cards provide easy access to the cash in your account, but can cause you to rack up fees if you're not careful. While debit cards encourage more responsible spending than credit cards, they do not offer the same protection or perks to consumers.

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